Summary

State-operated campuses are authorized to contract with Alumni Associations to assist the campus with fostering, maintaining, and enhancing the relationship with its alumni by providing activities, services, and programs to them. In addition, Alumni Associations help extend the reputation and influence of the campus; advocate for the campus with key constituencies, associates, and others in the public and private sectors; and assist and support the activities of the campus in fundraising for student recruitment, governmental affairs, and other areas that will advance the goals and objectives of the campus.

An Alumni Association may conduct the following activities:

- Develop programs that support the goals and objectives of the campus, especially in campus fundraising as directed by the campus.
- Provide activities, services, and programs to its alumni, including organizing on- and off-campus events such as reunions and homecoming activities, travel opportunities, networking, and printed and electronic communications.
- Contract with the campus to provide residence halls, under the provisions of NYS Education Law §355(2)(i). However, in doing so, an Alumni Association must contract with the campus Foundation or an affiliate thereof, or receive prior written approval from the campus President to contract with another entity for construction, financing, and development of residence halls.
- Provide direct and in-kind support to the host campus with the Alumni Association’s board of directors (Alumni Association Board) and campus President, or designee, approval.

This policy does not apply to a campus that has chosen to conduct and finance the alumni affairs program under the auspices and financial and operational oversight of its development or other campus office. Campuses utilizing their
development or other campus office for alumni affairs should develop an advisory panel(s) representing the alumni constituencies on campus. In addition, the campus must maintain books and records for its alumni affairs in accordance with applicable State, State University of New York (University), and campus rules, regulations, policies, and procedures.

Any proposed exceptions to these guidelines must be approved in writing by the Chancellor or designee. Any proposed amendments to these guidelines must be approved by the Board of Trustees upon the recommendation of the Chancellor and Audit Committee.

Policy

I. Structure and Governance

The charter or certificate of incorporation of the Alumni Association should make reference to the campus it will benefit in terms of purposes, objectives and programs. Each campus should have only one Alumni Association with no affiliates other than the University unless otherwise authorized by the Chancellor or designee. The Alumni Association must be a non-profit corporation organized and existing under the laws of the State of New York and tax-exempt under the Internal Revenue Code (IRC). If there are multiple alumni associations on campus (e.g., associations for different colleges or schools), each should be exempt from taxation, and the activities of all the alumni associations should be coordinated as approved by the campus president and the Chancellor or designee.

The Alumni Association’s board of directors (Alumni Association Board) is responsible for the governance and oversight of the Alumni Association’s affairs, personnel, and properties. The Alumni Association Board is also responsible for issuing necessary policies, ensuring the Alumni Association operates in accordance with its mission and all legal requirements, and monitoring the Alumni Association’s financial condition.

The campus president (including any acting or interim president approved by the Board of Trustees) or designee, and the campus development officer will be ex officio, voting members of the Alumni Association Board, but none of them may serve as chair of the Alumni Association Board or as the manager or president of the Alumni Association. A majority of the Alumni Association’s directors should be individuals who are not faculty, staff, or students of the campus. No members of the Campus Council may serve on the Alumni Association Board.

The certificate of incorporation and other organizing documents (e.g. bylaws) of an Alumni Association must provide that the net assets of the organization be distributed to the University, or other University-approved entity organized for similar purposes on behalf of the campus, in the event the Alumni Association is dissolved. Dissolutions and dispositions of related net assets are subject to all applicable laws, regulations, and restrictions. Copies of all organizing documents, including all amendments thereto, must be on file with the Office of the University Controller.

II. Accountability, Compliance and Reporting

The Alumni Association must operate in accordance with sound business practices and at a minimum, must:

- Obtain the Alumni Association Board’s approval of the annual budget and the audited financial statements.
- Cause an appropriate official of the Alumni Association to provide periodic fiscal reports to the Alumni Association Board for its review.
- Develop, administer, and communicate written policies and procedures for all key business functions. These policies and procedures should, at a minimum, cover the following areas: (i) cash receipts and disbursements, (ii) gift acceptance, (iii) spending, (iv) endowment funds management, including asset allocation, the selection of investment managers and the spending formula, (v) investment management, (vi) procurement (including travel expenses and credit cards), (vii) payroll, (viii) inventory, (ix) agency
accounts, (x) conflicts of interest and (xi) whistleblower. Such policies must require that disbursements are reasonable business expenses that support the campus, are consistent with donor intent, are adequately documented, and do not conflict with the law. If the Alumni Association engages a third-party (e.g. an auxiliary service corporation) to provide administrative support services, the Alumni Association must ensure that this third-party has in place, to the extent applicable, the written policies and procedures enumerated above.

- Comply with all applicable laws, including the Non-profit Revitalization Act of 2013, each as amended from time to time.
- Establish and maintain a system of internal controls designed to provide reasonable assurance of the achievement of objectives, reliability of financial reporting, safeguarding of assets, effectiveness and efficiency of operations, and compliance with laws and regulations.
- Ensure that the proceeds of campus fundraising are appropriately recorded, credited, acknowledged and administered based on legal requirements and donor stewardship parameters.
- Adhere to principles as defined in the “Donor Bill of Rights” and the Association of Fundraising Professionals’ “Code of Ethical Principles and Standards of Professional Practice.”

The Alumni Association must prepare annual financial statements in conformity with U.S. generally accepted accounting principles and have an audit conducted by a licensed independent certified public accounting firm or sole practitioner (independent auditor) in accordance with generally accepted auditing standards. The audit must be completed within 90 days after the close of the Alumni Association’s fiscal year. Consistent with principles of good governance, the independent auditor should be appointed only after a competitive procurement process. The term of appointment must be for no more than a five-year term, after which the Alumni Association must solicit these services through a new competitive procurement process.

The books and records, financial condition, operating results, and program activities of the Alumni Association are also subject to periodic audit by the Office of the University Auditor and, to the extent allowed by law, by outside regulatory bodies. All audit reports from whatever source, the certified financial statements and any management letter, together with the associated corrective action plan of the Alumni Association must be promptly provided to the campus President and the Office of the University Controller. Management’s corrective action plan should include the planned timeframe for addressing the independent auditor comments. Additionally, on an annual basis, the Alumni Association must certify to the University that it has complied with the terms of the contract between it and the campus including the provisions of these guidelines.

The Alumni Association must meet all regulatory filing requirements on a timely basis (e.g. federal and state taxing authorities, Attorney General Charities Bureau, etc.).

III. Linkage to Campus

A formal contract, in substantial accord with the model contract developed by the University (Appendix A), must be executed between the campus and the Alumni Association. The contract should authorize the Alumni Association to operate on campus, and should enumerate its activities. Each authorized activity should be identified in the contract, with written amendments required for new activities (Exhibit D). The contract must be approved by the Chancellor or designee (and external State agencies when required), can extend for a period of not more than 10 years, and must be terminable by the University in whole or part with 45 days written notice given by the University.

Any reimbursement to the campus for the use of space, utilities, and other services that the campus provides to the Alumni Association should be consistent with the approved annual budget and terms and conditions of the contract with the campus (Exhibit E).

The Alumni Association’s use, if any, of the campus name and marks for fundraising, or other appropriate purposes, must be authorized pursuant to the contract between the Alumni Association and the campus.
IV. Amendments

These guidelines may be amended from time to time by the Board of Trustees upon public notice and the recommendation of the Chancellor and Audit Committee of the Board of Trustees. All guideline amendments shall become effective upon a duly adopted amendment to the contract between the University and the Alumni Association.

[1] Contract terms exceeding five years are subject to pre-approval by External State agencies and may not be approved without a satisfactory business justification.

Definitions

Campus Council means a council for a State-operated campus as provided by NYS Education Law §356, to perform functions, prescribed by statute and the Board of Trustees, at its respective campus.

Other Related Information

Code of Ethical Principles and Standards of Professional Practice of Fundraising Professionals, Association of Fundraising Professionals (AFP).

Donor Bill of Rights, Association of Fundraising Professionals (AFP).

New York Non-profit Revitalization Act of 2013, amending the Not-For-Profit Corporation Law.

New York State Ethics – A Plain Language Version, from the SUNY Internal Controls website.

New York State Joint Commission on Public Ethics (JCOPE) website.

SUNY Compliance Website Ethics pages.

Procedures

There are no procedures relevant to this policy.

Related Policies

SUNY Policy Doc. No. 9600 Foundations Guidelines
SUNY Policy Doc. No. 9400 Auxiliary Services Corporations Guidelines
SUNY Policy Doc. No. 9500 Other Related Entities Guidelines
Forms

There are no forms relevant to this policy.

Authority

NYS Education Law §355(2)(i) (Powers and duties of trustees – administrative and fiscal functions)

Internal Revenue Code §501(c)(3) (Exemption from tax on corporations)

History

State University of New York Board of Trustees’ Resolution 2016-46, Campus-Related Entities Policies, June 22, 2016.

Guidelines were established originally by BOT Resolution 03-39, dated April 29, 2013, and amended by BOT Resolution 2016-46, Campus-Related Entities Policies, adopted June 22, 2016.

Appendices

Appendix A - Campus/Alumni Association Model Contract and Exhibits D and E

Appendix B - Alumni Associations Guidelines - Exhibit C